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FISCAL IMPACT STATEMENT

LS 7087

BILL NUMBER: SB 475

NOTE PREPARED: Feb 8, 2011

BILL AMENDED:

SUBJECT: Public Employee Health Plan Eligibility.

FIRST AUTHOR: Sen. Schneider

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill specifies that coverage under state employee and state educational institution health plans is available to certain individuals.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) This bill makes only the following individuals eligible for state employee health plan benefits: a state employee and their spouse and children. Under the bill, domestic partners will not be considered eligible for state employee health plan benefits. The State Personnel Department (SPD) reports that currently domestic partners are not eligible for state employee health plan benefits.

Currently, public employers known to provide health coverage for domestic partners of employees include the city of Bloomington, Indiana State University, Indiana University, Purdue University, the University of Southern Indiana, and Ball State University.

Limiting health benefit coverage to state employees and their spouses and children is expected to reduce the expenditures of Indiana State University, Ball State University, Purdue University, and Indiana University by approximately \$1.5 M per year. This number reflects the cost of health benefits to the universities and not the cost the employee would pay for their portion of health insurance. A breakdown of savings by educational institution is provided below.

Educational Institution	Approximate Annual Savings
University of Southern Indiana	Offers health benefits for domestic partners, but currently no participants.
Indiana State University	\$12,500
Ball State University	\$60,000
Purdue University	\$329,000
Indiana University	\$1,100,000

Explanation of State Revenues:

Explanation of Local Expenditures: This bill will also apply to health insurance purchased by local units of government and local school corporations. Local government groups enrolled in the Local Unit Government Employees (LUG) health plan would be unaffected by the provisions of this bill. LUG participants have the same benefits as state employees, but are part of a separate risk pool.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected:

Information Sources: Christy Tittle, State Personnel Department; Jason Dudich, Indiana Commission for Higher Education.

Fiscal Analyst: Bill Brumbach, 232-9559.